

QLDC Council
7 November 2019

Report for Agenda Item | Rīpoata moto e Rāraki take

Department: Finance, Legal & Regulatory

Title | Taitara Elected Member Remuneration for 2019/20

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

The purpose of this report is to agree the remuneration rates for elected members of the Queenstown Lakes District Council for the period following the election to 30 June 2020.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report; and
2. **Agree** the remuneration rates for councillors of the Queenstown Lakes District Council for the period following the 2019 election to 30 June 2020:

- Deputy Mayor (x1) \$48,316 per annum
- Committee Chair (x4) \$45,199 per annum
- Councillor (x5) \$38,965 per annum

Prepared by:



Stewart Burns
GM Finance Legal & Regulatory

29/10/2019

Reviewed and Authorised by:



Mike Theelen
Chief Executive

29/10/2019

CONTEXT | HORPOAKI

- 1 Elected members' remuneration is set by the Remuneration Authority (Authority) on an annual basis. For election years, the period is split allowing in-coming councils to make some decisions regarding how the remuneration pool for Councillors is allocated.
- 2 The process and timeline for this is attached: "Process and Timeline for Setting Elected Members' Remuneration following October 2019 Local Elections" (Attachment B).
- 3 This process is somewhat simplified from previous years as the Authority has already set the remuneration for the following positions:
 - Mayor \$128,000 per annum
 - Community Board Chair \$23,959 per annum
 - Community Board Member \$11,979 per annum
- 4 For QLDC Councillors, a governance remuneration pool of \$423,936 has already been set. The Authority now awaits advice as to how Council proposes to distribute the pool among members. It anticipates that certain positions of responsibility (i.e. Deputy Mayor & Chairs of Committees) will receive an uplift in remuneration compared to Councillors with no additional responsibilities.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 5 The proposed QLDC structure for positions of responsibility is largely unchanged from before with the following positions now confirmed by the Mayor:
 - Deputy Mayor (1.24)
 - Committee Chairs (1.16) (x4)
- 6 The numbers in brackets reflect the relative weightings attributed to each position relative to a Councillor with no additional responsibilities. These weightings have previously been approved by the Authority and reflect the additional time and responsibility of each position.
- 7 The Authority has provided a worksheet to calculate the allocation of the governance remuneration pool. This is included as Attachment A: "Proposed Remuneration for Councillors Using Ratios". The worksheet has been completed for the QLDC proposed structure and role weightings as above.
- 8 It is important to note that the whole governance remuneration pool must be allocated. There is no discretion for Council to pay itself less than the determination provides for. The Authority also provides for a minimum Council remuneration (\$32,428 per annum); this comes into play in the situation where a proposal includes multiple positions of responsibility which have relative high salaries proposed.

9 The main features of the proposed QLDC structure are:

- Deputy Mayor \$48,316 (2018/19 \$41,587)
- Committee Chair \$45,199 (2018/19 \$39,070)
- Councillor \$38,965 (2018/19 \$33,538)

Options:

10 Option 1 Agree to the proposed remuneration rates for Councillors for the Queenstown Lakes District Council for the period following the 2019 election to 30 June 2020.

11 Option 2 Do Not Agree to the proposed remuneration rates for Councillors for the Queenstown Lakes District Council for the period following the 2019 election to 30 June 2020.

12 This report recommends **Option 1**.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

13 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because there is no discretion for Council to pay itself more or less than the determination provides for. The Authority sets the amount of the governance remuneration pool – Council's decision relates only to how the pool is allocated.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

14 This matter relates to the Regulatory/Legal/Compliance risk category.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

15 The allocation decision has no direct financial implication for Council because there is no discretion for council to pay itself more or less than the determination provides for. Elected member remuneration is already budgeted for in the 10 Year Plan/ Annual Plan.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

16 The following Council policies, strategies and bylaws were considered:

- 2018-28 Ten Year Plan

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

17 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

ATTACHMENTS | NGĀ TĀPIRIHANGA

- A Proposed Remuneration for Councillors Using Ratios
- B Process and Timeline for Setting Elected Members' Remuneration following October 2019 Local Elections

Process and Timeline for Setting Elected Members' Remuneration following the October 2019 Local Elections

Please familiarise yourself with the **Local Government Members (2019/20) Determination 2019** specifically:

- **Clause 7(2)** – remuneration on and from the day after the date on which the official result of the 2019 election is declared under section 86 of the Local Electoral Act 2001 in relation to your local authority;
- **Schedule 2** – remuneration from 2019 election of members; and the
- **Explanatory memorandum** attached to the determination, which includes the governance remuneration pool for your council.

Mayors, Regional Chairs, Auckland Local Board Members and Community Board Members

Note the governance remuneration pool does not apply to mayors, regional chairs, Auckland local board members and community board members. Their remuneration **must** be paid according to the provisions set out in the above determination on and from the day after the date on which the official results for your council are declared.

However, if your council delegates significant other responsibilities than they currently hold to its community board(s) and as a consequence proposes an increase to the remuneration of its community board members, the additional funds will come out of the governance remuneration pool for your council. If this is the case please contact the Authority for further information on the process to be followed.

Remuneration for Councillors

Schedule 2 of the above determination provides the minimum allowable remuneration rate payable to councillors on and from the day after the date on which the official result of the 2019 election is declared for your council. Your councillors cannot be paid below that rate.

The governance remuneration pool shown in the explanatory memorandum to the above determination covers the remuneration payable to your councillors. Your council's pool includes the remuneration for your base councillor position and the remuneration for your councillors who hold positions of additional responsibility (eg: deputy mayor, chair of a council committee).

Following the 2019 local elections, your council is invited to provide the Authority with proposals/recommendations on how the pool should be distributed among the council members. The council's recommendations **must** include a remuneration rate for the base councillor position and rates for all positions that hold additional responsibility. The entire pool must be allocated. The Authority will then consider the council's proposals before determining the remuneration payable to councillors.

An Excel workbook has been prepared for each council to complete their remuneration proposals and return to the Authority. Attached to the email containing this guidance is your council's workbook.

The workbook contains three main worksheets:

- **Instructions** for calculating the distribution of the pool;
- **Worksheet 1** – either use this worksheet to enter the dollar amounts to calculate your councillor’s remuneration; or alternately use
- **Worksheet 2** – to enter the ratios to calculate the remuneration of your councillors.

Note in both cases the entire remuneration pool must be allocated.

On opening your workbook, please read the instructions and check that the base information is correct ie:

- number of councillors (excluding mayor or regional chair);
- your council’s remuneration pool (ie: it matches the amount shown in the determination);
- your councillor’s minimum remuneration rate (see schedule 2 of the determination).

If the base information is incorrect let us know and we will issue a revised workbook.

Please let us know if your council proposes an increase to the remuneration of its community board members as a result of delegating significant other responsibilities than they currently hold to them. In this case, the Authority will need to be advised and a revised workbook reflecting the reduced remuneration pool will be issued.

Return to the Authority (info@remauthority.govt.nz) the attached form (*information about important dates and positions of responsibility*) and your completed workbook together with a brief description of each position of additional responsibility and their effective date (day after the date that the council confirms the recommendation) by either of the dates shown below (shaded boxes).

Timeline

Action	By Whom	Date
Familiarisation by elected members and staff with the new regime and process	Councils	Up till remuneration proposals submitted
Incoming councils formally decide remuneration attached to different roles within allocated pool and forward proposals to Remuneration Authority (round 1)	Councils	Proposals submitted by <u>Wednesday 20 November 2019</u> to meet deadline for the first amending determination
Remuneration Authority consider councils’ proposals	Remuneration Authority	From 13 October to 22 November 2019
Drafting of first amending determination	Parliamentary Counsel Office	From 24 November to 11 December 2019
First amending determination is gazetted	Remuneration Authority	Thursday 19 December 2019
Incoming councils formally decide remuneration attached to different roles within allocated pool and forward proposals to Remuneration Authority (round 2)	Councils	Proposals submitted by <u>Friday 24 January 2020</u> to meet deadline for second amending determination

Remuneration Authority consider councils' proposals	Remuneration Authority	From 13 January to 29 January 2020
Drafting of second amending determination	Parliamentary Counsel Office	From 3 February to 21 February 2020
Second amending determination is gazetted	Remuneration Authority	Late February/early March 2020

Your council will need to wait until the amending determination which contains its new remuneration rates is gazetted by the Authority before it can pay the new remuneration rates for positions of responsibility and the new base councillor rate. However, it is important to note that councillors' remuneration will be backdated.

The new base remuneration rate approved by the Authority for a councillor will take effect from the day after the date on which the official results for the council were declared by public notice. Approved remuneration rates for the positions of responsibility will be backdated to the day after the council formally voted to confirm its recommendation(s).

If you have any questions about the process or the timeline please send an email to info@remauthority.govt.nz.